

**Testimony  
for the  
Commissioner of the Department of Insurance, Securities, and Banking**

***Revised Surplus and Community Health Reinvestment Review and Determination for  
Group Hospital and Medical Services, Inc, a Subsidiary of CareFirst, Inc  
June 25, 2014***

The Greater Washington Society for Clinical Social Work, with 900 active members, represents the interests of the District of Columbia's more than 4300 licensed independent clinical social workers who practice in a wide variety of settings - mental health clinics, family service agencies, psychiatric hospitals, medical facilities, non-profit centers, schools, and private practice - in the Metropolitan Washington area. One of the core goals of our organization is to advocate for the provision of adequate health insurance coverage for the treatment of mental and emotional disorders and substance abuse.

We clinical social workers see at first hand the impact of lack of access to affordable, quality health and mental health care on such troublesome District concerns as HIV/AIDS, domestic violence, gangs, teen pregnancy, child abuse and neglect. We also see the beneficial impact on treatment success and recovery when clients have that critical access.

Implementation of the Affordable Care Act and creation of the Health Benefits Exchange (HBX) have significantly reduced the numbers of uninsured in the District, and the mental health/substance abuse provisions of the HBX health benefits package assure adequate treatment coverage. We commend the HBX Authority, the Commissioner, and, indeed, participating insurance companies, including CareFirst/GHMSI, for these major positive changes.

Yet concerns remain. This Hearing centers on close to a billion dollars of "excess Surplus" held by GHMSI, said to be over and above that considered prudent for GHMSI's reserves. GHMSI has a responsibility to its subscribers and to the community at large for the proper use of its excess.

- Community responsibility. We applaud CareFirst for the efforts it has made since the 2009 Hearing to address unmet needs in the District. Given the size of the Surplus, it would seem that this contribution could continue and perhaps expand. However, we hope this will not in any way prevent CareFirst from addressing unmet needs of its subscribers.
- Premiums. Given the size of the excess surplus, it is disturbing to learn that CareFirst, alone among the HBX carriers, has proposed rate increases for all of its plans, with individual plans and all small business plans reflecting increases greater than 10 percent.

- Network adequacy. We hear regularly of providers unable to maintain a practice at the CareFirst contractual rate of reimbursement. (This is particularly true for the Blue Choice panel, which reimburses at a rate less than half the already-discounted Medicare rate and significantly less than market rate.) Experienced providers are leaving the network, and new professionals are discouraged from signing on by the financial disincentive.

With a dwindling network of CareFirst providers, a number of whom are unavailable to see new clients, we have heard from many subscribers who find themselves unable to obtain timely treatment. Inevitably it is the most vulnerable population that gives up the search, even when they are most in need of care.

- Denial of benefits. When benefits are denied, a number of subscribers do not challenge or resubmit valid claims, feeling that CareFirst won't listen to them, or that the process of contacting a helpful staff member will be too frustrating. We hear of subscribers given incorrect or incomplete information about a pre-authorization requirement for mental health treatment, and what should have been a clear and easy process results in unexpected expense for the subscriber and/or a significant loss of income for the provider. We hear numerous complaints about the interminable phone menus to be navigated in order to reach a live human being, and about how frustrating the web portal is – far from user-friendly. And we regularly hear stories about CareFirst errors that have finally been corrected after months and sometimes years of calls and correspondence.

It is surely ***not*** the case that denials of benefits and the daunting communication system are a deliberate effort on the part of CareFirst to discourage use of benefits. Unfortunately, however, that assuredly-false assumption is, in fact, one we have often heard from frustrated former subscribers and providers.

In conclusion, we note that traditionally, the Blues have been recognized as among the most venerable and respected insurance carriers in our country, providers of thoughtful and caring health care. Clinical social workers have been proud to participate as providers, and many lament having to leave CareFirst in order to maintain a viable practice. We ask that the Commissioner hold CareFirst/GHMSI to its obligations to the community and to its subscribers, and we thank you for this opportunity to comment.

**Margot Aronson, LICSW and Mary Lee Stein, LICSW**  
**Co-chairs, DC Legislation & Advocacy Committee**  
**Greater Washington Society for Clinical Social Work**